

BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

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PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events*
9 - 22 September 1960

Cuba received its first shipment of arms from the USSR on 8 September, when the Soviet freighter Il'ya Menchnikov, under heavy security precautions, unloaded its cargo of artillery, machineguns, various types of ammunition, and tanks.

The first economic agreements between Cuba and Hungary were signed in Havana on 15 September. These pacts include a 5-year trade and payments agreement, an \$8 million credit agreement, and a protocol of scientific and technical cooperation.

A protocol to the 1957 Soviet-Syrian economic agreement has been concluded that earmarks \$71 million of the \$150 million Soviet line of credit extended to Syria under the 1957 agreement. To date, a total of only \$25 million of the \$150 million has been drawn.

Guinean President Sekou Touré's visits to Moscow and Peiping produced credit and trade agreements that further link the economic development and foreign commerce of Guinea to the Bloc. The most significant economic developments resulting from the trip include the Soviet commitment to participate in the complex of projects on the Konkouré River in Guinea and the Chinese Communist extension of an interest-free credit of \$25 million.

The rapid withdrawal of the Bloc from the Congo is virtually complete. Ordered by Colonel Mobutu, the dominant figure in the Congo Government in mid-September, the hasty retreat represents a major reverse for the Bloc in Africa. All Soviet and Czechoslovak aircraft

* Unclassified tables summarizing (1) the value of Bloc trade with underdeveloped countries for 1958 and 1959 and (2) the number of trade and payments agreements in force between Bloc and underdeveloped countries as of 31 December 1959 and 30 June 1960 are included in this issue, on pp. 6 and 8.

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have now left the country, carrying with them most of the Bloc diplomatic, press, medical, and technical personnel (estimated at 250 to 300) in the Congo. The 100 trucks, spare parts, and mobile repair shop supplied by the USSR and used by Lumumba forces in military operations in Kasai Province were left behind, as were various medical supplies.

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